

the renewal of the charter on May 31, 1833, ^{an} [^] [^] ^{was} decided by a vote of 316 to 83 to proceed with their consideration. The proposition to make the notes legal tender except at the bank prevailed by a vote of 214 to 156.

The new charter continued the exclusive privilege of note issue within sixty-five miles of London, but authorized country banks to have agencies in London for the purpose of paying such of their notes as might be presented. The bank was authorized to reduce its capital by one-fourth of the amount of the debt of the public to the bank and in consideration of its privileges surrendered [^]£1 20,000 of the amount allowed annually by the government for the management of the debt.¹ The charter of the bank was extended to one years' notice, to be given within six months after the expiration of ten years from August 1, 1834, and until repayment of all debts due by Parliament to the bank. The renewal of the charter in 1844 extended the life of the bank until twelve months⁷ notice after August 1, 1855, and the repayment of the public debt. No such notice was given and the bank continued to operate under this authority until 1870. A revision was made at that time of the statutes relating to the public debt, and it was enacted that the Bank of England shall continue a corporation until all the public funds are duly redeemed by Parliament.⁸

The period following the crisis of 1839 developed a peculiar doctrine of finance in England, which obtained a strong footing among public men with only a rudimentary knowledge of political economy and has spread to some extent on the Continent of Europe and in the United States. This

¹ The government repaid one-fourth of the permanent debt, amounting to [^]"3,671,000, and reducing the principal to [^]11,015,100 ; but the bank never availed itself of the permission to deduct the amount from its capital, which remains at [^]14,553,0 x>, where it was fixed in 1816. The interest on the debt to the bank was reduced in 1892 from three to two and three-fourths per cent., and changes were made in the allowances for managing the debt which made the total saving to the government [^]45,700.— *London Bankers' Magazine* , July, 1892, 50.

² Clause 72, Act 33 and 34 Victoria, c. 71.